

(Washington, DC)- Last night Congresswoman Gwen Moore offered an amendment in front of the U.S. House of Representatives Committee on Rules which would ensure that fundamental Temporary Assistance to Needy Families (TANF) services are performed by public employees rather than profit-seeking private contractors.

"I've seen firsthand what happens to low-income families when private vendors control the delivery of TANF assistance," Congresswoman Moore said. "While private contractors in Wisconsin have received \$77.9 million in unrestricted, no-strings-attached profits and their CEOs receive six-digit salaries, families and single parents in need are being turned away and are not being helped in their quest to find employment."

Under the current system of privatized welfare, private agency employees are charged with greeting applicants, conducting initial screening interviews, and making eligibility determinations. However, because these private employees are accountable to a profit margin and not to the public, they have incentives to inappropriately divert applicants away from needed TANF assistance in order to hold down costs under the terms of their employer's contract. The fewer TANF beneficiaries a private contractor serves, the less assistance they have to provide.

Additionally, pushing the poor away from TANF assistance also impedes their access to other critical safety net programs such as Medicaid and the Food Stamp Program. Though public employees are stationed within private agencies to enroll those eligible in Medicaid and the Food Stamp Program, the first point of contact in the office for a client in need is a private agency worker. If this private employee is unfairly diverting a client away from TANF assistance, it is likely that they will be diverted from Medicaid and food stamps as well.

The amendment, had the Rules Committee allowed it to be voted on by the House today, would have amended the TANF reauthorization legislation that has been folded into the larger FY06 budget reconciliation bill. However, the Republican-controlled Rules Committee refused to allow the amendment to even come to the floor for a vote. In spite of the Committee's action, Congresswoman Moore vowed to continue her fight to prevent the profit incentives of private, corporate TANF contractors from harming the citizens of her district who are struggling and in need.

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